

Union Calendar No. 23

106TH CONGRESS  
1ST Session

**H. R. 707**

[Report No. 106-40]

**A BILL**

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a program for predisaster mitigation, to streamline the administration of disaster relief, to control the Federal costs of disaster assistance, and for other purposes.

MARCH 3, 1999

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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**IN THE HOUSE OF REPRESENTATIVES**

FEBRUARY 11, 1999

Mrs. FOWLER (for herself, Mr. TRAFICANT, Mr. BOEHLERT, and Mr. BORSKI) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

MARCH 3, 1999

Additional sponsors: Mr. TERRY, Mr. DOOLITTLE, Mr. NADLER, Ms. BERKLEY, and Mr. SWEENEY

MARCH 3, 1999

Reported with amendments, committed to the Committee of the Whole House on the State of Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on February 11, 1999]

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**A BILL**

To amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a program for predisaster mitigation, to streamline the administration

of disaster relief, to control the Federal costs of disaster assistance, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Disaster Mitigation and*  
 5 *Cost Reduction Act of 1999”.*

6 **SEC. 2. AMENDMENTS TO ROBERT T. STAFFORD DISASTER**  
 7 **RELIEF AND EMERGENCY ASSISTANCE ACT.**

8 *Except as otherwise specifically provided, whenever in*  
 9 *this Act an amendment or repeal is expressed in terms of*  
 10 *an amendment to, or repeal of, a section or other provision*  
 11 *of law, the reference shall be considered to be made to a*  
 12 *section or other provision of the Robert T. Stafford Disaster*  
 13 *Relief and Emergency Assistance Act (42 U.S.C. 5121 et*  
 14 *seq.).*

15 **TITLE I—PREDISASTER HAZARD**  
 16 **MITIGATION**

17 **SEC. 101. FINDINGS AND PURPOSE.**

18 *(a) FINDINGS.—Congress finds that—*

19 *(1) greater emphasis needs to be placed on iden-*  
 20 *tifying and assessing the risks to State and local com-*  
 21 *munities and implementing adequate measures to re-*  
 22 *duce losses from natural disasters and to ensure that*  
 23 *critical facilities and public infrastructure will con-*  
 24 *tinue to function after a disaster;*

1           (2) expenditures for post-disaster assistance are  
2           increasing without commensurate reduction in the  
3           likelihood of future losses from such natural disasters;

4           (3) a high priority in the expenditure of Federal  
5           funds under the Robert T. Stafford Disaster Relief  
6           and Emergency Assistance Act should be to imple-  
7           ment predisaster activities at the local level; and

8           (4) with a unified effort of economic incentives,  
9           awareness and education, technical assistance, and  
10          demonstrated Federal support, States and local com-  
11          munities will be able to increase their capabilities to  
12          form effective community-based partnerships for miti-  
13          gation purposes, implement effective natural disaster  
14          mitigation measures that reduce the risk of future  
15          damage, hardship, and suffering, ensure continued  
16          functioning of critical facilities and public infrastruc-  
17          ture, leverage additional non-Federal resources into  
18          meeting disaster resistance goals, and make commit-  
19          ments to long-term mitigation efforts in new and ex-  
20          isting structures.

21          (b) *PURPOSE.*—It is the purpose of this title to estab-  
22          lish a predisaster hazard mitigation program that—

23               (1) reduces the loss of life and property, human  
24               suffering, economic disruption, and disaster assist-  
25               ance costs resulting from natural hazards; and

1           (2) provides a source of predisaster hazard miti-  
 2           gation funding that will assist States and local gov-  
 3           ernments in implementing effective mitigation meas-  
 4           ures that are designed to ensure the continued func-  
 5           tioning of critical facilities and public infrastructure  
 6           after a natural disaster.

7 **SEC. 102. STATE MITIGATION PROGRAM.**

8           Section 201(c) (42 U.S.C. 5131(c)) is amended—

9           (1) by striking “and” at the end of paragraph  
 10          (1);

11          (2) by striking the period at the end of para-  
 12          graph (2) and inserting “; and”; and

13          (3) by adding at the end the following:

14          “(3) set forth, with the ongoing cooperation of  
 15          local governments and consistent with section 409, a  
 16          comprehensive and detailed State program for miti-  
 17          gating against emergencies and major disasters, in-  
 18          cluding provisions for prioritizing mitigation meas-  
 19          ures.”.

20 **SEC. 103. DISASTER ASSISTANCE PLANS.**

21          Section 201(d) (42 U.S.C. 5131(d)) is amended to read  
 22          as follows:

23          “(d) **GRANTS FOR DISASTER ASSISTANCE AND HAZ-**  
 24          **ARD IDENTIFICATION.**—The President is authorized to make  
 25          grants for—

1           “(1) not to exceed 50 percent of the cost of im-  
 2       proving, maintaining, and updating State disaster  
 3       assistance plans including, consistent with section  
 4       409, evaluation of natural hazards and development  
 5       of the programs and actions required to mitigate such  
 6       hazards; and

7           “(2) the development and application of im-  
 8       proved floodplain mapping technologies that can be  
 9       used by Federal, State, and local governments and  
 10      that the President determines will likely result in sub-  
 11      stantial savings over current floodplain mapping  
 12      methods.”.

13 **SEC. 104. PREDISASTER HAZARD MITIGATION.**

14       Title II (42 U.S.C. 5131–5132) is amended by adding  
 15      at the end the following:

16 **“SEC. 203. PREDISASTER HAZARD MITIGATION.**

17       “(a) GENERAL AUTHORITY.—The President may es-  
 18      tablish a program to provide financial assistance to States  
 19      and local governments for the purpose of undertaking  
 20      predisaster hazard mitigation activities that are cost effec-  
 21      tive and substantially reduce the risk of future damage,  
 22      hardship, or suffering from a major disaster.

23       “(b) PURPOSE OF ASSISTANCE.—

24       “(1) IN GENERAL.—Except as provided in para-  
 25      graph (2), a State or local government that receives

1     *financial assistance under this section shall use the*  
2     *assistance for funding activities that are cost effective*  
3     *and substantially reduce the risk of future damage,*  
4     *hardship, or suffering from a major disaster.*

5             “(2) *DISSEMINATION.*—*The State or local gov-*  
6     *ernment may use not more than 10 percent of finan-*  
7     *cial assistance it receives under this section in a fis-*  
8     *cal year for funding activities to disseminate infor-*  
9     *mation regarding cost effective mitigation technologies*  
10    *(such as preferred construction practices and mate-*  
11    *rials), including establishing and maintaining centers*  
12    *for protection against natural disasters to carry out*  
13    *such dissemination.*

14            “(c) *ALLOCATION OF FUNDS.*—*The amount of finan-*  
15    *cial assistance to be made available to a State, including*  
16    *amounts made available to local governments of such State,*  
17    *under this section in a fiscal year shall—*

18               “(1) *not be less than the lesser of \$500,000 or 1.0*  
19     *percent of the total funds appropriated to carry out*  
20     *this section for such fiscal year; but*

21               “(2) *not exceed 15 percent of such total funds.*

22            “(d) *CRITERIA.*—*Subject to the limitations of sub-*  
23    *sections (c) and (e), in determining whether to provide as-*  
24    *sistance to a State or local government under this section*

1 *and the amount of such assistance, the President shall con-*  
2 *sider the following criteria:*

3           “(1) *The clear identification of prioritized cost-*  
4 *effective mitigation activities that produce meaningful*  
5 *and definable outcomes.*

6           “(2) *If the State has submitted a mitigation pro-*  
7 *gram in cooperation with local governments under*  
8 *section 201(c), the degree to which the activities iden-*  
9 *tified in paragraph (1) are consistent with the State*  
10 *mitigation program.*

11           “(3) *The extent to which assistance will fund ac-*  
12 *tivities that mitigate hazards evaluated under section*  
13 *409.*

14           “(4) *The opportunity to fund activities that*  
15 *maximize net benefits to society.*

16           “(5) *The ability of the State or local government*  
17 *to fund mitigation activities.*

18           “(6) *The extent to which assistance will fund*  
19 *mitigation activities in small impoverished commu-*  
20 *nities.*

21           “(7) *The level of interest by the private sector to*  
22 *enter into a partnership to promote mitigation.*

23           “(8) *Such other criteria as the President estab-*  
24 *lishes in consultation with State and local govern-*  
25 *ments.*



1 “(e) *STATE NOMINATIONS.*—

2 “(1) *IN GENERAL.*—*The Governor of each State*  
3 *may recommend to the President not less than 5 local*  
4 *governments to receive assistance under this section.*  
5 *The recommendations shall be submitted to the Presi-*  
6 *dent not later than October 1, 1999, and each October*  
7 *1st thereafter or such later date in the year as the*  
8 *President may establish. In making such rec-*  
9 *ommendations, the Governors shall consider the cri-*  
10 *teria identified in subsection (d).*

11 “(2) *USE.*—

12 “(A) *GENERAL RULE.*—*In providing assist-*  
13 *ance to local governments under this section, the*  
14 *President shall select from local governments rec-*  
15 *ommended by the Governors under this sub-*  
16 *section.*

17 “(B) *WAIVER.*—*Upon request of a local gov-*  
18 *ernment, the President may waive the limitation*  
19 *in subparagraph (A) if the President determines*  
20 *that extraordinary circumstances justify the*  
21 *waiver and that granting the waiver will further*  
22 *the purpose of this section.*

23 “(3) *EFFECT OF FAILURE TO NOMINATE.*—*If a*  
24 *Governor of a State fails to submit recommendations*  
25 *under this subsection in a timely manner, the Presi-*

1        *dent may select, subject to the criteria in subsection*  
2        *(d), any local governments of the State to receive as-*  
3        *sistance under this section.*

4        *“(f) SMALL IMPOVERISHED COMMUNITIES.—For the*  
5        *purpose of this section, the term ‘small impoverished com-*  
6        *munities’ means communities of 3,000 or fewer individuals*  
7        *that are economically disadvantaged, as determined by the*  
8        *State in which the community is located and based on cri-*  
9        *teria established by the President.*

10       *“(g) FEDERAL SHARE.—Financial assistance pro-*  
11       *vided under this section may contribute up to 75 percent*  
12       *of the total cost of mitigation activities approved by the*  
13       *President; except that the President may contribute up to*  
14       *90 percent of the total cost of mitigation activities in small*  
15       *impoverished communities.*

16       *“(h) AUTHORIZATION OF APPROPRIATIONS.—There is*  
17       *authorized to be appropriated to carry out this section*  
18       *\$25,000,000 for fiscal year 1999 and \$80,000,000 for fiscal*  
19       *year 2000.*

20       *“(i) AUTHORIZATION OF SECTION 404 FUNDS.—Effec-*  
21       *tive October 1, 2000, in addition to amounts appropriated*  
22       *under subsection (h) from only appropriations enacted after*  
23       *October 1, 2000, the President may use, to carry out this*  
24       *section, funds that are appropriated to carry out section*  
25       *404 for post-disaster mitigation activities that have not*

1 *been obligated within 30 months of the disaster declaration*  
 2 *upon which the funding availability is based.*

3       “(j) *REPORT ON FEDERAL AND STATE ADMINISTRA-*  
 4 *TION.—Not later than 18 months after the date of enact-*  
 5 *ment of the Disaster Mitigation and Cost Reduction Act*  
 6 *of 1999, the President, in consultation with State and local*  
 7 *governments, shall transmit to Congress a report evaluating*  
 8 *efforts to implement this section and recommending a proc-*  
 9 *ess for transferring greater authority and responsibility for*  
 10 *administering the assistance program authorized by this*  
 11 *section to capable States.”.*

12 **SEC. 105. INTERAGENCY TASK FORCE.**

13       *The President shall establish an interagency task force*  
 14 *for the purpose of coordinating the implementation of the*  
 15 *predisaster hazard mitigation program authorized by sec-*  
 16 *tion 203 of the Robert T. Stafford Disaster Relief and*  
 17 *Emergency Assistance Act. The Director of the Federal*  
 18 *Emergency Management Agency shall chair such task force.*

19 **SEC. 106. MAXIMUM CONTRIBUTION FOR MITIGATION**  
 20 **COSTS.**

21       (a) *IN GENERAL.—Section 404(a) (42 U.S.C.*  
 22 *5170c(a)) is amended by striking “15 percent” and insert-*  
 23 *ing “20 percent”.*

24       (b) *APPLICABILITY.—The amendment made by sub-*  
 25 *section (a) shall apply to major disasters declared under*

1 *the Robert T. Stafford Disaster Relief Act and Emergency*  
 2 *Assistance Act after January 1, 1997.*

3 **SEC. 107. CONFORMING AMENDMENT.**

4 *The heading for title II is amended to read as follows:*

5 **“TITLE II—DISASTER PREPARED-**  
 6 **NESS AND MITIGATION AS-**  
 7 **SISTANCE”.**

8 **TITLE II—STREAMLINING AND**  
 9 **COST REDUCTION**

10 **SEC. 201. MANAGEMENT COSTS.**

11 *(a) IN GENERAL.—Title III (42 U.S.C. 5141–5164) is*  
 12 *amended by adding at the end the following:*

13 **“SEC. 322. MANAGEMENT COSTS.**

14 *“(a) IN GENERAL.—Notwithstanding any other provi-*  
 15 *sion of law (including any administrative rule or guid-*  
 16 *ance), the President shall establish by rule management cost*  
 17 *rates for grantees and subgrantees. Such rates shall be used*  
 18 *to determine contributions under this Act for management*  
 19 *costs.*

20 *“(b) MANAGEMENT COSTS DEFINED.—Management*  
 21 *costs include indirect costs, administrative expenses, associ-*  
 22 *ated expenses, and any other expenses not directly charge-*  
 23 *able to a specific project under a major disaster, emergency,*  
 24 *or emergency preparedness activity or measure. Such costs*  
 25 *include the necessary costs of requesting, obtaining, and ad-*

1 ministering Federal assistance and costs incurred by a  
2 State for preparation of damage survey reports, final in-  
3 spection reports, project applications, final audits, and re-  
4 lated field inspections by State employees, including over-  
5 time pay and per diem and travel expenses of such employ-  
6 ees, but not including pay for regular time of such employ-  
7 ees.

8 “(c) *REVIEW.*—The President shall review the manage-  
9 ment cost rates established under subsection (a) not later  
10 than 3 years after the date of establishment of such rates  
11 and periodically thereafter.”.

12 (b) *APPLICABILITY.*—Section 322 of the Robert T.  
13 Stafford Disaster Relief and Emergency Assistance Act (as  
14 added by subsection (a) of this section) shall apply as fol-  
15 lows:

16 (1) Subsections (a) and (b) of such section 322  
17 shall apply to major disasters declared under such  
18 Act on or after the date of enactment of this Act.  
19 Until the date on which the President establishes the  
20 management cost rates under such subsection, section  
21 406(f) shall be used for establishing such rates.

22 (2) Subsection (c) of such section 322 shall apply  
23 to major disasters declared under such Act on or after  
24 the date on which the President establishes such rates  
25 under subsection (a) of such section 322.

1 **SEC. 202. ASSISTANCE TO REPAIR, RESTORE, RECON-**  
2 **STRUCT, OR REPLACE DAMAGED FACILITIES.**

3 (a) CONTRIBUTIONS.—Section 406(a) (42 U.S.C.  
4 5172(a)) is amended to read as follows:

5 “(a) CONTRIBUTIONS.—

6 “(1) IN GENERAL.—The President may make  
7 contributions—

8 “(A) to a State or local government for the  
9 repair, restoration, reconstruction, or replace-  
10 ment of a public facility which is damaged or  
11 destroyed by a major disaster and for associated  
12 expenses incurred by such government; and

13 “(B) subject to paragraph (2), to a person  
14 who owns or operates a private nonprofit facility  
15 damaged or destroyed by a major disaster for the  
16 repair, restoration, reconstruction, or replace-  
17 ment of such facility and for associated expenses  
18 incurred by such person.

19 “(2) CONDITIONS FOR ASSISTANCE TO PRIVATE  
20 NONPROFIT FACILITIES.—

21 “(A) IN GENERAL.—The President may  
22 make contributions to a private nonprofit facil-  
23 ity under paragraph (1)(B) only if—

24 “(i) the facility provides critical serv-  
25 ices (as defined by the President) in the  
26 event of a major disaster; or

1                   “(ii)(I) *the owner or operator of the fa-*  
 2                   *cility has applied for a disaster loan under*  
 3                   *section 7(b) of the Small Business Act (15*  
 4                   *U.S.C. 636(b)); and*

5                   “(II) *has been determined to be ineli-*  
 6                   *gible for such a loan; or*

7                   “(III) *has obtained such a loan in the*  
 8                   *maximum amount for which the Small*  
 9                   *Business Administration determines the fa-*  
 10                  *cility is eligible.*

11                  “(B) *CRITICAL SERVICES DEFINED.—In this*  
 12                  *paragraph, the term ‘critical services’ includes,*  
 13                  *but is not limited to, power, water, sewer, waste-*  
 14                  *water treatment, communications, and emer-*  
 15                  *gency medical care.’”.*

16                  (b) *MINIMUM FEDERAL SHARE.—Section 406(b) (42*  
 17                  *U.S.C. 5172(b)) is amended to read as follows:*

18                  “(b) *MINIMUM FEDERAL SHARE.—The Federal share*  
 19                  *of assistance under this section shall be not less than 75*  
 20                  *percent of the eligible cost of repair, restoration, reconstruc-*  
 21                  *tion, or replacement carried out under this section.’”.*

22                  (c) *LARGE IN-LIEU CONTRIBUTIONS.—Section 406(c)*  
 23                  *(42 U.S.C. 5172(c)) is amended to read as follows:*

24                  “(c) *LARGE IN-LIEU CONTRIBUTIONS.—*

25                  “(1) *FOR PUBLIC FACILITIES.—*

1           “(A) *IN GENERAL.*—*In any case in which a*  
2           *State or local government determines that the*  
3           *public welfare would not be best served by re-*  
4           *pairing, restoring, reconstructing, or replacing*  
5           *any public facility owned or controlled by such*  
6           *State or local government, the State or local gov-*  
7           *ernment may elect to receive, in lieu of a con-*  
8           *tribution under subsection (a)(1)(A), a contribu-*  
9           *tion of 75 percent of the Federal share of the*  
10          *Federal estimate of the cost of repairing, restor-*  
11          *ing, reconstructing, or replacing such facility*  
12          *and of management expenses.*

13          “(B) *USE OF FUNDS.*—*Funds contributed to*  
14          *a State or local government under this para-*  
15          *graph may be used to repair, restore, or expand*  
16          *other selected public facilities, to construct new*  
17          *facilities, or to fund hazard mitigation measures*  
18          *which the State or local government determines*  
19          *to be necessary to meet a need for governmental*  
20          *services and functions in the area affected by the*  
21          *major disaster.*

22          “(2) *FOR PRIVATE NONPROFIT FACILITIES.*—

23                 “(A) *IN GENERAL.*—*In any case where a*  
24                 *person who owns or operates a private nonprofit*  
25                 *facility determines that the public welfare would*



1       *not be best served by repairing, restoring, recon-*  
2       *structing, or replacing such facility, such person*  
3       *may elect to receive, in lieu of a contribution*  
4       *under subsection (a)(1)(B), a contribution of 75*  
5       *percent of the Federal share of the Federal esti-*  
6       *mate of the cost of repairing, restoring, recon-*  
7       *structing, or replacing such facility and of man-*  
8       *agement expenses.*

9               “(B) *USE OF FUNDS.—Funds contributed to*  
10       *a person under this paragraph may be used to*  
11       *repair, restore, or expand other selected private*  
12       *nonprofit facilities owned or operated by the per-*  
13       *son, to construct new private nonprofit facilities*  
14       *to be owned or operated by the person, or to fund*  
15       *hazard mitigation measures that the person de-*  
16       *termines to be necessary to meet a need for its*  
17       *services and functions in the area affected by the*  
18       *major disaster.*

19               “(3) *MODIFICATION OF FEDERAL SHARE.—The*  
20       *President shall modify the Federal share of the cost*  
21       *estimate provided in paragraphs (1) and (2) if the*  
22       *President determines an alternative cost share will*  
23       *likely reduce the total amount of Federal assistance*  
24       *provided under this section. The Federal cost share for*

1        *purposes of paragraphs (1) and (2) shall not exceed*  
2        *90 percent and shall not be less than 50 percent.”.*

3        *(d) ELIGIBLE COST.—*

4                *(1) IN GENERAL.—Section 406(e) (42 U.S.C.*  
5        *5172(e)) is amended to read as follows:*

6        *“(e) ELIGIBLE COST.—*

7                *“(1) IN GENERAL.—For the purposes of this sec-*  
8        *tion, the estimate of the cost of repairing, restoring,*  
9        *reconstructing, or replacing a public facility or pri-*  
10       *ivate nonprofit facility on the basis of the design of*  
11       *such facility as it existed immediately before the*  
12       *major disaster and in conformity with current appli-*  
13       *cable codes, specifications, and standards (including*  
14       *floodplain management and hazard mitigation cri-*  
15       *teria required by the President or by the Coastal Bar-*  
16       *rier Resources Act (16 U.S.C. 3501 et seq.)) shall be*  
17       *treated as the eligible cost of such repair, restoration,*  
18       *reconstruction, or replacement. Subject to paragraph*  
19       *(2), the President shall use the cost estimation proce-*  
20       *dures developed under paragraph (3) to make the esti-*  
21       *mate under this paragraph.*

22                *“(2) MODIFICATION OF ELIGIBLE COST.—In the*  
23        *event the actual cost of repairing, restoring, recon-*  
24        *structing, or replacing a facility under this section is*  
25        *more than 120 percent or less than 80 percent of the*

1     *cost estimated under paragraph (1), the President*  
2     *may determine that the eligible cost be the actual cost*  
3     *of such repair, restoration, reconstruction, or replace-*  
4     *ment. The government or person receiving assistance*  
5     *under this section shall reimburse the President for*  
6     *the portion of such assistance that exceeds the eligible*  
7     *cost of such repair, restoration, reconstruction, or re-*  
8     *placement.*

9             “(3) *USE OF SURPLUS FUNDS.*—*In the event the*  
10     *actual cost of repairing, restoring, reconstructing, or*  
11     *replacing a facility under this section is less than 100*  
12     *percent but not less than 80 percent of the cost esti-*  
13     *mated under paragraph (1), the government or person*  
14     *receiving assistance under this section shall use any*  
15     *surplus funds to perform activities that are cost-effec-*  
16     *tive and reduce the risk of future damage, hardship,*  
17     *or suffering from a major disaster.*

18             “(4) *EXPERT PANEL.*—*Not later than 18 months*  
19     *after the date of enactment of the Disaster Mitigation*  
20     *and Cost Reduction Act of 1999, the President, acting*  
21     *through the Director of the Federal Emergency Man-*  
22     *agement Agency, shall establish an expert panel, in-*  
23     *cluding representatives from the construction indus-*  
24     *try, to develop procedures for estimating the cost of*

1        *repairing, restoring, reconstructing, or replacing a fa-*  
2        *cility consistent with industry practices.*

3                *“(5) SPECIAL RULE.—In any case in which the*  
4        *facility being repaired, restored, reconstructed, or re-*  
5        *placed under this section was under construction on*  
6        *the date of the major disaster, the cost of repairing,*  
7        *restoring, reconstructing, or replacing such facility*  
8        *shall include, for purposes of this section, only those*  
9        *costs which, under the contract for such construction,*  
10       *are the owner’s responsibility and not the contractor’s*  
11       *responsibility.”.*

12                *(2) EFFECTIVE DATE.—The amendment made by*  
13        *paragraph (1) shall take effect on the date of enact-*  
14        *ment of this Act, and shall only apply to funds ap-*  
15        *propriated after the date of enactment of this Act; ex-*  
16        *cept that paragraph (1) of section 406(e) of the Rob-*  
17        *ert T. Stafford Disaster Relief and Emergency Assist-*  
18        *ance Act (as amended by paragraph (1) of this sub-*  
19        *section) shall take effect on the date that the proce-*  
20        *dures developed under paragraph (3) of such section*  
21        *take effect.*

22        *(e) ASSOCIATED EXPENSES.—*

23                *(1) IN GENERAL.—Section 406 (42 U.S.C. 4172)*  
24        *is amended by striking subsection (f).*

1           (2) *OTHER ELIGIBLE COSTS.*—Section 406(e) (42  
 2           *U.S.C. 5172(e)), as amended by subsection (d) of this*  
 3           *section, is amended by adding at the end the follow-*  
 4           *ing:*

5           “(6) *OTHER ELIGIBLE COSTS.*—For purposes of  
 6           *this section, other eligible costs include the following:*

7                   “(A) *COSTS OF NATIONAL GUARD.*—The cost  
 8                   *of mobilizing and employing the National Guard*  
 9                   *for performance of eligible work.*

10                   “(B) *COSTS OF PRISON LABOR.*—The costs  
 11                   *of using prison labor to perform eligible work,*  
 12                   *including wages actually paid, transportation to*  
 13                   *a worksite, and extraordinary costs of guards,*  
 14                   *food, and lodging.*

15                   “(C) *OTHER LABOR COSTS.*—Base and over-  
 16                   *time wages for an applicant’s employees and*  
 17                   *extra hires performing eligible work plus fringe*  
 18                   *benefits on such wages to the extent that such*  
 19                   *benefits were being paid before the disaster.”.*

20           (3) *EFFECTIVE DATE.*—Paragraphs (1) and (2)  
 21           *shall take effect on the date on which the President es-*  
 22           *tablishes management cost rates under section 322(a)*  
 23           *of the Robert T. Stafford Disaster Relief and Emer-*  
 24           *gency Assistance Act (as added by section 201(a) of*  
 25           *this Act). The amendment made by paragraph (1)*

1       *shall only apply to disasters declared by the President*  
2       *under such Act after the date on which the President*  
3       *establishes such cost rates.*

4   **SEC. 203. FEDERAL ASSISTANCE TO INDIVIDUALS AND**  
5       **HOUSEHOLDS.**

6       *(a) IN GENERAL.—Section 408 (42 U.S.C. 5174) is*  
7       *amended to read as follows:*

8   **“SEC. 408. FEDERAL ASSISTANCE TO INDIVIDUALS AND**  
9       **HOUSEHOLDS.**

10       *“(a) GENERAL AUTHORITY.—Subject to the require-*  
11       *ments of this section, the President, in consultation with*  
12       *the Governor of the affected State, may provide financial*  
13       *assistance, and, if necessary, direct services, to disaster vic-*  
14       *tims who as a direct result of a major disaster have nec-*  
15       *essary expenses and serious needs where such victims are*  
16       *unable to meet such expenses or needs through other means.*

17       *“(b) HOUSING ASSISTANCE.—*

18               *“(1) ELIGIBILITY.—The President may provide*  
19       *financial or other assistance under this section to in-*  
20       *dividuals and families to respond to the disaster-re-*  
21       *lated housing needs of those who are displaced from*  
22       *their predisaster primary residences or whose*  
23       *predisaster primary residences are rendered uninhab-*  
24       *itable as a result of damage caused by a major disas-*  
25       *ter.*

1           “(2) *DETERMINATION OF APPROPRIATE TYPES*  
2           *OF ASSISTANCE.*—*The President shall determine ap-*  
3           *propriate types of housing assistance to be provided*  
4           *to disaster victims under this section based upon con-*  
5           *siderations of cost effectiveness, convenience to disas-*  
6           *ter victims, and such other factors as the President*  
7           *may consider appropriate. One or more types of hous-*  
8           *ing assistance may be made available, based on the*  
9           *suitability and availability of the types of assistance,*  
10          *to meet the needs of disaster victims in the particular*  
11          *disaster situation.*

12          “(c) *TYPES OF HOUSING ASSISTANCE.*—

13               “(1) *TEMPORARY HOUSING.*—

14                   “(A) *FINANCIAL ASSISTANCE.*—

15                           “(i) *IN GENERAL.*—*The President may*  
16                           *provide financial assistance under this sec-*  
17                           *tion to individuals or households to rent al-*  
18                           *ternate housing accommodations, existing*  
19                           *rental units, manufactured housing, rec-*  
20                           *reational vehicles, or other readily fab-*  
21                           *ricated dwellings.*

22                           “(ii) *AMOUNT.*—*The amount of assist-*  
23                           *ance under clause (i) shall be based on the*  
24                           *fair market rent for the accommodation*  
25                           *being furnished plus the cost of any trans-*

1            *portation, utility hookups, or unit installa-*  
2            *tion not being directly provided by the*  
3            *President.*

4            *“(B) DIRECT ASSISTANCE.—*

5                    *“(i) IN GENERAL.—The President may*  
6                    *also directly provide under this section*  
7                    *housing units, acquired by purchase or*  
8                    *lease, to individuals or households who, be-*  
9                    *cause of a lack of available housing re-*  
10                   *sources, would be unable to make use of the*  
11                   *assistance provided under subparagraph*  
12                   *(A).*

13                   *“(ii) PERIOD OF ASSISTANCE.—The*  
14                   *President may not provide direct assistance*  
15                   *under clause (i) with respect to a major dis-*  
16                   *aster after the expiration of the 18-month*  
17                   *period beginning on the date of the declara-*  
18                   *tion of the major disaster by the President,*  
19                   *except that the President may extend such*  
20                   *period if the President determines that due*  
21                   *to extraordinary circumstances an extension*  
22                   *would be in the public interest.*

23                   *“(iii) COLLECTION OF RENTAL*  
24                   *CHARGES.—After the expiration of the 18-*  
25                   *month period referred to in clause (ii), the*



1                   *President may charge fair market rent for*  
2                   *the accommodation being provided.*

3                   “(2) *REPAIRS.*—*The President may provide fi-*  
4                   *nancial assistance for the repair of owner-occupied*  
5                   *private residences, utilities, and residential infra-*  
6                   *structure (such as private access routes) damaged by*  
7                   *a major disaster to a habitable or functioning condi-*  
8                   *tion. A recipient of assistance provided under this*  
9                   *paragraph need not show that the assistance can be*  
10                  *met through other means, except insurance proceeds,*  
11                  *if the assistance is used for emergency repairs to*  
12                  *make a private residence habitable and does not ex-*  
13                  *ceed \$5,000 (based on fiscal year 1998 constant dol-*  
14                  *lars).*

15                  “(3) *REPLACEMENT.*—*The President may pro-*  
16                  *vide financial assistance for the replacement of*  
17                  *owner-occupied private residences damaged by a*  
18                  *major disaster. Assistance provided under this para-*  
19                  *graph shall not exceed \$10,000 (based on fiscal year*  
20                  *1998 constant dollars). The President may not waive*  
21                  *any provision of Federal law requiring the purchase*  
22                  *of flood insurance as a condition for the receipt of*  
23                  *Federal disaster assistance with respect to assistance*  
24                  *provided under this paragraph.*

1           “(4) *PERMANENT HOUSING CONSTRUCTION.*—*The*  
2           *President may provide financial assistance or direct*  
3           *assistance under this section to individuals or house-*  
4           *holds to construct permanent housing in insular areas*  
5           *outside the continental United States and other re-*  
6           *mote locations in cases in which—*

7                   “(A) *no alternative housing resources are*  
8                   *available; and*

9                   “(B) *the types of temporary housing assist-*  
10                  *ance described in paragraph (1) are unavailable,*  
11                  *infeasible, or not cost effective.*

12           “(d) *TERMS AND CONDITIONS RELATING TO HOUSING*  
13 *ASSISTANCE.*—

14                  “(1) *SITES.*—*Any readily fabricated dwelling*  
15                  *provided under this section shall, whenever possible,*  
16                  *be located on a site complete with utilities, and shall*  
17                  *be provided by the State or local government, by the*  
18                  *owner of the site, or by the occupant who was dis-*  
19                  *placed by the major disaster. Readily fabricated*  
20                  *dwelling may be located on sites provided by the*  
21                  *President if the President determines that such sites*  
22                  *would be more economical or accessible.*

23                  “(2) *DISPOSAL OF UNITS.*—

24                   “(A) *SALE TO OCCUPANTS.*—

1           “(i) *IN GENERAL.*—Notwithstanding  
2           any other provision of law, a temporary  
3           housing unit purchased under this section  
4           by the President for the purposes of housing  
5           disaster victims may be sold directly to the  
6           individual or household who is occupying  
7           the unit if the individual or household needs  
8           permanent housing.

9           “(ii) *SALES PRICE.*—Sales of tem-  
10          porary housing units under clause (i) shall  
11          be accomplished at prices that are fair and  
12          equitable.

13          “(iii) *DEPOSIT OF PROCEEDS.*—Not-  
14          withstanding any other provision of law,  
15          the proceeds of a sale under clause (i) shall  
16          be deposited into the appropriate Disaster  
17          Relief Fund account.

18          “(iv) *USE OF GSA SERVICES.*—The  
19          President may use the services of the Gen-  
20          eral Services Administration to accomplish  
21          a sale under clause (i).

22          “(B) *OTHER METHODS OF DISPOSAL.*—

23                 “(i) *SALE.*—If not disposed of under  
24                 subparagraph (A), a temporary housing  
25                 unit purchased by the President for the pur-

1           *poses of housing disaster victims may be re-*  
2           *sold.*

3           “(ii) *DISPOSAL TO GOVERNMENTS AND*  
4           *VOLUNTARY ORGANIZATIONS.—A temporary*  
5           *housing unit described in clause (i) may*  
6           *also be sold, transferred, donated, or other-*  
7           *wise made available directly to a State or*  
8           *other governmental entity or to a voluntary*  
9           *organization for the sole purpose of provid-*  
10          *ing temporary housing to disaster victims*  
11          *in major disasters and emergencies if, as a*  
12          *condition of such sale, transfer, or donation,*  
13          *the State, other governmental agency, or*  
14          *voluntary organization agrees to comply*  
15          *with the nondiscrimination provisions of*  
16          *section 308 and to obtain and maintain*  
17          *hazard and flood insurance on the housing*  
18          *unit.*

19          “(e) *FINANCIAL ASSISTANCE TO ADDRESS OTHER*  
20          *NEEDS.—*

21                 “(1) *MEDICAL, DENTAL, AND FUNERAL EX-*  
22          *PENSES.—The President, in consultation with the*  
23          *Governor of the affected State, may provide financial*  
24          *assistance under this section to an individual or*  
25          *household adversely affected by a major disaster to*

1        *meet disaster-related medical, dental, and funeral ex-*  
2        *penses.*

3                “(2) *PERSONAL PROPERTY, TRANSPORTATION,*  
4        *AND OTHER EXPENSES.—The President, in consulta-*  
5        *tion with the Governor of the affected State, may pro-*  
6        *vide financial assistance under this section to an in-*  
7        *dividual or household described in paragraph (1) to*  
8        *address personal property, transportation, and other*  
9        *necessary expenses or serious needs resulting from the*  
10       *major disaster.*

11              “(f) *STATE ROLE.—The President shall provide for the*  
12       *substantial and ongoing involvement of the affected State*  
13       *in administering the assistance under this section.*

14              “(g) *MAXIMUM AMOUNT OF ASSISTANCE.—No individ-*  
15       *ual or household shall receive financial assistance greater*  
16       *than \$25,000 under this section with respect to a single*  
17       *major disaster. Such limit shall be adjusted annually to re-*  
18       *flect changes in the Consumer Price Index for all Urban*  
19       *Consumers published by the Department of Labor.*

20              “(h) *ISSUANCE OF REGULATIONS.—The President*  
21       *shall issue rules and regulations to carry out the program,*  
22       *including criteria, standards, and procedures for determin-*  
23       *ing eligibility for assistance.”.*

1       (b) *CONFORMING AMENDMENT.*—Section 502(a)(6) (42  
2 U.S.C. 5192(a)(6)) is amended by striking “temporary  
3 housing”.

4       (c) *ELIMINATION OF INDIVIDUAL AND FAMILY GRANT*  
5 *PROGRAMS.*—Title IV (42 U.S.C. 5170–5189a) is amended  
6 by striking section 411 (42 U.S.C. 5178).

7       (d) *EFFECTIVE DATE.*—The amendments made by this  
8 section shall take effect on the 545th day following the date  
9 of enactment of this Act.

10 **SEC. 204. REPEALS.**

11       (a) *COMMUNITY DISASTER LOANS.*—Section 417 (42  
12 U.S.C. 5184) is repealed.

13       (b) *SIMPLIFIED PROCEDURE.*—Section 422 (42 U.S.C.  
14 5189) is repealed.

15 **SEC. 205. STATE ADMINISTRATION OF HAZARD MITIGATION**  
16 **PROGRAM.**

17       Section 404 (42 U.S.C. 5170c) is amended by adding  
18 at the end the following:

19       “(c) *PROGRAM ADMINISTRATION BY STATES.*—

20               “(1) *IN GENERAL.*—A State desiring to admin-  
21 ister the hazard mitigation assistance program estab-  
22 lished by this section with respect to hazard mitiga-  
23 tion assistance in the State may submit to the Presi-  
24 dent an application for the delegation of such author-  
25 ity.

1           “(2) *CRITERIA.*—*The President, in consultation*  
2           *with States and local governments, shall establish cri-*  
3           *teria for the approval of applications submitted under*  
4           *paragraph (1). The criteria shall include, at a mini-*  
5           *mum, the following:*

6                     “(A) *The demonstrated ability of the State*  
7                     *to manage the grant program under this section.*

8                     “(B) *Submission of the plan required under*  
9                     *section 201(c).*

10                    “(C) *A demonstrated commitment to miti-*  
11                    *gation activities.*

12           “(3) *APPROVAL.*—*The President shall approve*  
13           *an application submitted under paragraph (1) that*  
14           *meets the criteria established under paragraph (2).*

15           “(4) *WITHDRAWAL OF APPROVAL.*—*If, after ap-*  
16           *proving an application of a State submitted under*  
17           *paragraph (1), the President determines that the*  
18           *State is not administering the hazard mitigation as-*  
19           *sistance program established by this section in a*  
20           *manner satisfactory to the President, the President*  
21           *shall withdraw such approval.*

22           “(5) *AUDITS.*—*The President shall provide for*  
23           *periodic audits of the hazard mitigation assistance*  
24           *programs administered by States under this sub-*  
25           *section.”.*

1 **SEC. 206. STATE ADMINISTRATION OF DAMAGED FACILI-**  
2 **TIES PROGRAM.**

3       (a) *PILOT PROGRAM.*—In cooperation with States and  
4 local governments and in coordination with efforts to  
5 streamline the delivery of disaster relief assistance, the  
6 President shall conduct a pilot program for the purpose of  
7 determining the desirability of State administration of  
8 parts of the assistance program established by section 406  
9 of the Robert T. Stafford Disaster Relief and Emergency  
10 Assistance Act (42 U.S.C. 5172).

11       (b) *STATE PARTICIPATION.*—

12               (1) *CRITERIA.*—The President may establish cri-  
13 teria in order to ensure the appropriate implementa-  
14 tion of the pilot program under subsection (a).

15               (2) *MINIMUM NUMBER OF STATES.*—The Presi-  
16 dent shall conduct the pilot program under subsection  
17 (a) in at least 2 States.

18       (c) *REPORT.*—Not later than 3 years after the date of  
19 enactment of this Act, the President shall transmit to Con-  
20 gress a report describing the results of the pilot program  
21 conducted under subsection (a), including identifying any  
22 administrative or financial benefits. Such report shall also  
23 include recommendations on the conditions, if any, under  
24 which States should be allowed the option to administer  
25 parts of the assistance program under section 406 of the



1 *Robert T. Stafford Disaster Relief and Emergency Assist-*  
2 *ance Act (42 U.S.C. 5172).*

3 **SEC. 207. STUDY REGARDING COST REDUCTION.**

4 *Not later than 3 years after the date of enactment of*  
5 *this Act, the Comptroller General of the United States shall*  
6 *conduct a study to estimate the reduction in Federal disas-*  
7 *ter assistance that has resulted and is likely to result from*  
8 *the enactment of this Act.*

9 **SEC. 208. REPORT ON ASSISTANCE TO RURAL COMMU-**  
10 **NITIES.**

11 *Not later than 180 days after the date of enactment*  
12 *of this Act, the Director of the Federal Emergency Manage-*  
13 *ment Agency shall prepare and transmit to Congress a re-*  
14 *port on methods and procedures that the Director rec-*  
15 *ommends to accelerate the provision of Federal disaster as-*  
16 *sistance under the Robert T. Stafford Disaster Relief and*  
17 *Emergency Assistance Act (42 U.S.C. 5121 et seq.) to rural*  
18 *communities.*

19 **SEC. 209. STUDY REGARDING INSURANCE FOR PUBLIC IN-**  
20 **FRASTRUCTURE.**

21 *The Comptroller General of the United States shall*  
22 *conduct a study to determine the current and future ex-*  
23 *pected availability of disaster insurance for public infra-*  
24 *structure eligible for assistance under section 406 of the*

1 *Robert T. Stafford Disaster Relief and Emergency Assist-*  
2 *ance Act (42 U.S.C. 5170).*

3       ***TITLE III—MISCELLANEOUS***

4       ***SEC. 301. TECHNICAL CORRECTION OF SHORT TITLE.***

5       *The first section (42 U.S.C. 5121 note) is amended to*  
6 *read as follows:*

7       ***“SECTION 1. SHORT TITLE.***

8       *“This Act may be cited as the ‘Robert T. Stafford Dis-*  
9 *aster Relief and Emergency Assistance Act’.”.*

10       ***SEC. 302. DEFINITION OF STATE.***

11       *Section 102 (42 U.S.C. 5122) is amended in each of*  
12 *paragraphs (3) and (4) by striking “the Northern” and all*  
13 *that follows through “Pacific Islands” and inserting “and*  
14 *the Commonwealth of the Northern Mariana Islands”.*

15       ***SEC. 303. FIRE SUPPRESSION GRANTS.***

16       *Section 420 (42 U.S.C. 5187) is amended by inserting*  
17 *“and local government” after “State”.*